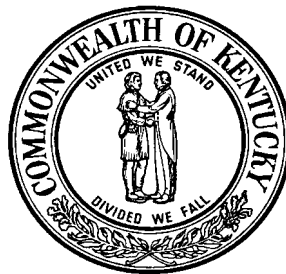


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
MARSHALL COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2008 Through June 30, 2009**



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Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Tony Henson
Marshall County Property Valuation Administrator
Benton, Kentucky 42025

We have performed the procedures enumerated below, which were agreed to by the Marshall County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2008 through June 30, 2009. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Marshall County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2009), for all bank accounts, to determine if amounts are accurate.

Finding -

The Property Valuation Administrator maintained a computer-generated receipts and disbursements ledger for the period. Bank records appear to have been reconciled to the ledgers on a monthly basis. Auditor reperformed the June 30, 2009 bank reconciliation and found the PVA's bank reconciliation to be accurate.



Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Tony Henson
Marshall County Property Valuation Administrator
(Continued)

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

All receipts from city governments recorded by the PVA were confirmed with the cities and appeared to be complete and accurate. No other city governments were noted that would be subject to paying fees to the PVA for services.

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The statutory contribution calculated by the Department of Revenue agrees to the fiscal court's budgeted contribution amount. The fiscal court pays the deputies compensation portion of the statutory contribution directly to the Department of Revenue. The remaining portion of the contribution was paid in full to the PVA's office and deposited in the PVA's bank account. Auditor noted that the county pays the statutory telephone appropriation to the PVA office even though the county provides for the office telephone.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Auditor found all selected expenditures to agree with cancelled checks, paid invoices and/or other supporting documentation. The PVA does not have a credit card for office expenditures. All expenditures were appropriate, for official business, and have been properly accounted for.

Jonathan Miller, Secretary, Finance and Administration Cabinet
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Marshall County Property Valuation Administrator
(Continued)

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Capital outlay purchases made during the year have been properly accounted for and documented, and assets obtained were noted for physical existence. However, the PVA's Capital Asset Inventory List has not been updated to include capital outlay purchases during the year.

PVA's Response - None.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The PVA has two service contract agreements for which a cost schedule for services rendered exists, though monthly costs are subject to adjustments. One agreement is for monthly maintenance of the office color copier, which requires a base contract amount, plus additional charges for excessive usage. An agreement also exists for the office's automated postage machine, and monthly amounts due are based on a predetermined fee schedule. The PVA pays for contract services based on a monthly billing provided by both contracting companies, and amounts paid during the year are reasonable based on fee schedules and monthly billings. Services received per contract agreements are appropriate, for official business, and properly authorized.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The final 2008-09 budget, as amended and approved by the Department of Revenue, was not overspent in any expense category or series.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Federal Deposit Insurance Corporation (FDIC) coverage was sufficient to protect the PVA's deposits in all months. No pledge of collateral was necessary.

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The Honorable Tony Henson
Marshall County Property Valuation Administrator
(Continued)

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Employees of the PVA's office complete computer-generated timesheets based on a State timekeeping system. Employees record hours worked daily, or in the case of absences, the type and hours of leave time being used. At the end of the pay period, the timesheets are electronically submitted to the PVA, who approves and submits them to the state for processing.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This procedure was not necessary, as there was no change in the PVA.

11. Procedure -

For newly hired employees, during July 1, 2008 through June 30, 2009, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

The Marshall County PVA did not hire any new employees during 7/1/08 through 6/30/09.

12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was closed on two occasion for instances other than state holidays during the 2009 fiscal year. The office was closed during the Winter Storm of 2009 multiple days, for which a state of emergency was declared. The office was also closed during the county's annual community festival. The Department of Revenue reported no record of this office closing.

PVA's Response - None.

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(Continued)

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized, flowing script.

Crit Luallen
Auditor of Public Accounts

December 16, 2009